

Division 7: Western Australian Tourism Commission, \$65 530 000 —

Ms W.M. Duncan, Chairman.

Mr C.J. Barnett, Minister for Tourism.

Mr I. Johnson, Principal Policy Adviser.

Ms S.L. Buckland, Chief Executive Officer.

Mr D. Lowe, Executive Director, Corporate and Business Services.

Mr R. Sansalone, Chief Financial Officer.

Mr G.E. Dolphin, Acting Executive Director, Markets and Partnerships.

[Witnesses introduced.]

The CHAIRMAN: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 3 June 2016. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

Mr C.J. BARNETT: As members will be aware, Stephanie Buckland has announced that she is taking up a job in the private sector. I take this opportunity to wish her well and thank her for her five years as head of Tourism WA.

The CHAIRMAN: I give the call to the member for Warnbro.

Mr P. PAPALIA: I refer to page 101 of the *Budget Statements* under "Significant Issues Impacting the Agency". My first point is the matter the Premier just mentioned—the CEO's departure. From what date will that be effective? What reasons led to the CEO's departure? Will there be any payout implications as a result of her departure?

Mr C.J. BARNETT: Stephanie Buckland will leave the agency on 22 July and her reason for leaving is that she has decided to move back to the private sector and has secured a senior position. It is a career move. As I say, I thank her for the work she has done for Tourism WA and I wish her well in this new opportunity. It is as simple as that.

Mr P. PAPALIA: How much longer did the CEO have on her contract?

Ms S.L. Buckland: Just thinking about it—it was three more years.

Mr P. PAPALIA: Are there any cost implications to the state as a result of her departing at this stage?

Mr C.J. BARNETT: Like any employee, Stephanie Buckland will be paid out any accumulated leave and entitlements. That would be standard under the contract of employment and public sector rules.

Mr P. PAPALIA: What is the Premier's intention with regard to this position? Will he leave this position vacant, as he is doing with the position of his director general, or does he intend filling it prior to the election?

Mr C.J. BARNETT: This position will be advertised. It may have already been advertised; if not, it is about to be. There will be a normal advertising selection process overseen by the Public Sector Commissioner and I hope a new CEO can be appointed before the end of the year.

Mr W.J. JOHNSTON: The Public Sector Commissioner explained to the Public Accounts Committee about the selection procedures for CEOs. Has the Minister for Tourism suggested to the Public Sector Commissioner anybody to fill the job?

Mr C.J. BARNETT: No, I have not but we had a brief discussion about what sorts of qualities might be sought. He sought my advice and I imagine he would seek the advice of industry and the chairman of the commission, as would be normal. This is a totally normal recruitment process for a new CEO.

Mr W.J. JOHNSTON: I am not saying it is not normal, but the Public Sector Commissioner explained that the normal procedure is to seek suggestions from the relevant minister, so I am just asking whether the Minister for Tourism has made suggestions of people to fill the vacancy.

Mr C.J. BARNETT: No, I have not, not people; I have made suggestions about what sorts of qualities or experience we might look for. I do not think there would be any surprises in that. I know he will speak to Peter Prendiville as the chairman of Tourism WA, and I am sure he would speak to some senior industry people as well. There will be a recruitment process underway.

[5.10 pm]

Mr P. PAPALIA: I refer to destination marketing and events funding under the service summary table on page 102 of the *Budget Statements*. Why does the total annual funding for destination marketing events drop off a cliff in the last of the out years? It goes from between \$75.5 million and \$80 million at its peak in 2018 to only \$54.823 million in the last year—a 27 per cent drop in funding.

Mr C.J. BARNETT: A number of answers can be given, but the answer I will give is that this budget is for the 2016–17 year. There is no budget for the out years. The budget is appropriation of public funds for the 2016–17 year. That is legally what the budget is. Yes; the estimates for the out years is produced by Treasury. As we go through those years, we can expect to see those figures adjusted accordingly.

Mr P. PAPALIA: If that is the case, why did the Premier go out two weeks ago on a Sunday and announce \$80 million for tourism in two years, specifically an extra \$19 million for events in 2018, that is not covered by this year's budget?

Mr C.J. BARNETT: That was a decision of cabinet; therefore, it was a decision to allocate funding over that period and it is entirely appropriate. The other figures in here are Treasury estimates. I guess they take a sort of base case, but, as I say, there will be successive budgets year in, year out. I have a commitment to tourism, particularly to marketing.

Mr P. PAPALIA: Noting the Premier's commitment to tourism, does he think there is an impact on the effectiveness of Tourism Western Australia's ability to negotiate partnerships and marketing deals in target markets when it has to deal with an inconsistency of funding in the order of a 27 per cent drop in the fourth year of the out years?

Mr C.J. BARNETT: A lot of people put more emphasis on forward estimates than I ever have or ever will, but I am aware that people look at them and interpret them in a certain way. I know that creates some uncertainty for the industry. The chairman of Tourism WA, Peter Prendiville, has raised that with me. I agree with him in principle, but we have further budgets to go and I intend to provide greater certainty for out years even though they are not budget years as such.

Mr P. PAPALIA: How long is the normal length of time negotiated by Tourism WA for a marketing deal in a target market?

Mr C.J. BARNETT: That depends on the market or what sort of deal or event it might be. I take the point; I am not shying away from that. We look for certainty of funding, particularly for large events or large agreements. Indeed, even such as those forward estimates are, if Tourism WA comes to me as minister and says that it has a particular project it wants to do, the government may well make a cabinet decision to fund it—as we did with stadium funding.

Mr P. PAPALIA: Can the Premier restate the first observation he made that this budget does not have out years and that it is only a budget for this year; so as far as he is concerned tourism funding extends for only one year?

Mr C.J. BARNETT: No; I did not say that at all. I did not make that comment.

Mr P. PAPALIA: The Premier's observation was that out years do not exist. It is bizarre that he should say that in relation to tourism.

Mr C.J. BARNETT: All the budget does is appropriate public funds for the coming months. That is legally what the budget does. The out years are Treasury's forecast and what it expects. I understand that can create some uncertainty; therefore, Tourism WA has the capacity to come to me as minister if it presents any particular issue, and it did in attracting major events for the new stadium. Therefore, the government allocated \$19 million for that purpose. That is now a cabinet decision and is therefore binding, including into those out years. That is public finance.

Mr P. PAPALIA: It is extraordinary that you should speak like that.

Mr C.J. BARNETT: If you do not understand public finance, I cannot help you.

Mr P. PAPALIA: You do not.

The CHAIRMAN: Member for Warnbro, you had your final further question.

Mr P. PAPALIA interjected.

The CHAIRMAN: Do not speak over me, please. You had your final question.

Mr W.J. JOHNSTON: I refer to the last dot point at the bottom of page 101 that states in part —

The goal of the State Government Strategy for Tourism in Western Australia ... is to increase the value of tourism in Western Australia to \$12 billion by 2020.

Given that tourism in WA is doing proportionately worse than it is in other states, how are we on track for that \$12 billion figure?

Mr C.J. BARNETT: I think it is a realistic target to go from expenditure in the sector of \$9 billion to \$12 billion by the end of the decade. Historically, there are some factors that everyone is probably conscious of. When mining and resource activity was at a peak, say, three years ago, people could barely get a hotel room in Perth and therefore there was not much incentive for interstate or overseas tourist promoters to bring people to Perth. That was a constraint. The Australian dollar also had a high value, which did not help. Now there is a slower resources industry and more rooms are available. Some 2 000 new hotel rooms are coming into the market over the next couple of years, the dollar is lower, the face of Perth as a destination has changed and I think world tourism grows at about 4.5 per cent a year, particularly in the Asia-Pacific area. I think that is a realistic target. I hope it is not a growth only in tourism spend, but also reflects a growth in tourism employment. I think it is quite a modest target, to be honest.

Mr W.J. JOHNSTON: Is the Premier saying to me that the spend by businesspeople coming here to stay in a hotel during a boom was not part of the visitor spend target?

Mr C.J. BARNETT: No. I am saying that during that period of peak activity in the mining and petroleum industry, it was very difficult to find accommodation for two reasons. The mining industry had basically booked out all the accommodation and, secondly, we had not had a major hotel development for, I think, 25 years—that being the Hyatt. Now several major hotels are going into construction, so I think what is available for leisure tourism has changed dramatically, plus the Australian dollar and other factors have changed. That is why I think the tourism industry is set for some very good years, but there is a lot of work to be done. That is why I think going from \$9 billion to \$12 billion is realistic.

Mr W.J. JOHNSTON: Let me get this straight: the \$12 billion figure excludes business visitors.

Mr C.J. BARNETT: No; not at all.

Mr W.J. JOHNSTON: Are the business visitors who were here during the boom counted in the money spent?

Mr C.J. BARNETT: They were part of the \$9 billion and there will still be business visitors in 2020, but it will probably not be as big a proportion as it was in past years.

Mr W.J. JOHNSTON: The Premier said that a constraint on reaching the \$12 billion target was that businesspeople were coming here and filling the hotel rooms. But is that money not still part of the target, so it did not matter who was filling the rooms so long as they were filled?

Mr C.J. BARNETT: In terms of the growth of leisure tourism, that was a constraint. The resources industry basically crowded out tourism both directly through occupancy of hotel rooms and indirectly through the Gregory effect, which is the exchange rate.

Mr W.J. JOHNSTON: If we exclude those business visitors from the calculation, what is —

Mr C.J. BARNETT: We do not exclude them.

Mr W.J. JOHNSTON: Is the Premier saying there is a separate figure for tourists as opposed to other visitors?

Mr C.J. BARNETT: Information available in published statistical work of Tourism WA breaks down the categories. Business travel is part of the total tourism component and it has been important, but at the same time business travel tends to constrain the growth of other sectors. I expect by 2020, if we get to that \$12 billion figure, business travel will still be very important but it will be a smaller proportion, and recreational and leisure travel will be a bigger proportion and we will see more growth coming from the Asia-Pacific nations. I do not know whether the CEO would like to add to that, but I do not quite understand the statistical distinction.

Ms S.L. Buckland: I do not have the figures to hand on the proportion that business visitation makes up of the total overall expenditure, but I can say that the majority of visitors and visitor expenditure in Western Australia would be for leisure purposes—both leisure tourists and people visiting their friends and family.

Mr W.J. JOHNSTON: Clearly, in terms of reaching that \$12 billion figure, as business travel expenditure falls, the growth in the leisure travel has to be larger to make up for that fall.

Mr C.J. BARNETT: Yes; that is true.

Mr W.J. JOHNSTON: It has taken quite some time to get to this point, but we are finally here: what growth rate is needed for the leisure travel sector to meet that \$12 billion figure?

[5.20 pm]

Mr C.J. BARNETT: I suppose one could do a mathematical exercise. We would need to know the proportion of business versus leisure expenditure. I thought I had seen that figure somewhere around, but maybe not. I am sure there are some estimates of that.

Mr W.J. JOHNSTON: If I am not getting the answer here, can I get it by supplementary information? It is an important issue.

Mr C.J. BARNETT: I do not think we have the answer. It is not available. We do not have that statistic.

Mr W.J. JOHNSTON: The Premier has to, because Ms Buckland explained that she is tracking these two figures, so they must be being tracked.

Mr C.J. BARNETT: If we can find the figure, we will provide it to the member—not as supplementary information. If we can find it amongst the statistical material, we will provide it. It will not be an actual figure; it will be an estimate.

Mr P. PAPALIA: With respect to the target and how well we are travelling on the target, how does the Premier think the last 12 months, during which there was a drop in international visitor spend of 1.2 per cent, has impacted on our ability to achieve that target? I note that that was over a 12-month period in which other states experienced double-digit growth.

Mr C.J. BARNETT: There is no doubt that, with regard to international travel, other states have done better than Western Australia. I think we are going through something of a transition in the tourism sector. I have no doubt, as these new hotel rooms come on—many of them involve Asian investment; they are not marketing them in Western Australia, they are marketing them in Asia and filling them up with group travel—we will see those figures grow. I think there is a job to be done in terms of the recognition of Western Australia and particularly Perth as a destination. We are well known in parts of the world, but there are other potential growth markets out there. All the indicators show that this is potentially a very productive time for the tourism industry over the coming few years, and the task is to maximise that.

Mr T.K. WALDRON: On that same point, I refer to page 101 of budget paper No 2 and the second dot point under “Significant Issues Impacting the Agency”. Talking about the strategy again, as part of the strategy, are we looking at further improvements and upgrades to facilities in country WA to attract tourists? I know Anzac Albany was a bit of a one-off, but I also refer to some of the entertainment centres in Bunbury and Albany et cetera and, for example, the sporting facilities in Mt Barker that have attracted pre-season AFL games. Last weekend Australia played England in hockey at Narrogin, which attracted a hell of a lot of people, including people from out of the state. As part of that strategy—I know it might not be the major part—will we still look at some of those types of venues to attract those events, which bring people over? The food festival down south and the surfing event are also two major ones that I can think of.

Mr C.J. BARNETT: The portfolios of tourism, sport, arts and maybe other areas, have collectively done a very good job of increasing the number of events. I think Tourism WA was involved in 84 events over the last year across the state, and as the member said, many of them were regional. Another aspect is the creation of new attractions, and a lot of them are not funded by the tourism portfolio. For example, starting on the south coast, there is the beachfront area of Esperance. As the member mentioned, there was the Anzac centenary celebrations and the National Anzac Centre in Albany, and there is the boat harbour in Augusta, which is funded by Transport rather than Tourism, but has huge tourism potential. There is also Surfers Point in Margaret River; the upgrades to the waterfront areas in Busselton and Bunbury, which are important; the airport expansion in Margaret River—Busselton, which again is not funded out of the tourism portfolio but is very much built for tourism; and the lookout over The Gap at Albany, which has just opened—I have yet to see it and it would be a bit terrifying, I think! Similarly, there is the lookout over Murchison Gorge in Kalbarri National Park. There is also the improvement of roads and facilities in the Pilbara and Kimberley. We could go on and on and on. Certainly the philosophy I have is that one of the major roles of government in an area like tourism is to do what the industry cannot or will not do by itself. Building that infrastructure and things for tourists to do is important. I think more attention needs to be paid around Perth, and the time is right now. Again, we have seen things like the redevelopment of the Scarborough beachfront—not funded by Tourism, but it will have a big impact on tourism, including the development of hotels, clubs and entertainment facilities. Similarly, there is the upgrading of the Swan Valley, which is close to the city and could be a lot better. Elizabeth Quay is not funded by Tourism, but has had a huge impact on tourism already. There is also the sinking of the rail line and so on. If we are going to

attract people here—that is the job of Tourism WA—we will have to have lots of things for them to do, and that goes beyond the tourism portfolio to other areas. I think Western Australia has made great advances in the last few years, and I hope that is part of capturing the opportunity we have in front of us.

Mr T.K. WALDRON: With regard to major events, the Kimberley Moon Experience is a good example, and having that on *Weekend Sunrise* around Australia. Is that the type of thing we are looking for?

Mr C.J. BARNETT: Yes, and I might ask the chief executive officer to comment on events. Again, I think there have been some great examples, and that is one. It is certainly putting some of those regional areas on the map, but I will ask Ms Buckland to comment.

Ms S.L. Buckland: The Kimberley Moon Experience was held over the weekend as the culmination of the Ord Valley Muster. That is an event that Tourism WA has sponsored for a number of years. We were involved in that event for several reasons. The first reason is that the event has a long history of being a very successful community event and was conceived of and started by the community in Kununurra, and the community is still heavily involved in the event. The second aspect is the fact that it has the potential to attract visitors. In fact, it attracts a number of visitors from outside Western Australia to attend, particularly from the Northern Territory, and people who are starting to travel across the country at this time of year. The third reason is because it gives us the opportunity to leverage and promote that event and say something really unique about Western Australia. We were very fortunate to have the *Weekend Sunrise* crew, who we hosted in the Kimberley region over the weekend, and they broadcast live from the Kimberley on Saturday and Sunday. We have not yet calculated the value of that media coverage, but it would be quite significant coverage we achieved as a result of that. Were it not for that event, we would not have been able to secure that coverage.

Mr P. PAPALIA: I refer to the second dot point on page 102 of budget paper No 2. With reference to the new marketing campaign that is to be launched in the last quarter of 2015–16, in what locations will this campaign be conducted, and what proportion will be in WA, interstate and overseas, and in which countries?

Mr C.J. BARNETT: With regard to the marketing, I will ask the CEO to comment on the details of that campaign, which is about to be launched.

Ms S.L. Buckland: The campaign will be launched before the end of the financial year. Initially, the campaign will be rolled out in Western Australia but it will also roll out in the eastern states, so it will also be in Sydney and Melbourne. It will start this financial year and continue into the next financial year. Throughout the first half of the next financial year—that is, the balance of the 2016 calendar year—it will be rolled out progressively in each of the international markets where Tourism WA has a marketing presence. The way the campaign has been developed is that it features lots of different tourism experiences in Western Australia. We will be adapting the campaign for each market based on the things that people in those markets like to do and the types of things that would attract them to Western Australia. For example, for German visitors we would show outback experiences, and for Singaporeans we would show more city-based experiences and the like.

Mr P. PAPALIA: Noting that intrastate tourism is the only component of Tourism that is succeeding at the moment and has not had a significantly underperforming last 12 months, why is it that the government is rolling out this campaign in Western Australia to tell Western Australians how wonderful Perth is when our international visitation has completely collapsed and our interstate visitation is very poor as well?

Mr C.J. BARNETT: My comment to that is that we have not collapsed interstate or international tourism at all. While the spend is down, the member will find that the numbers in some areas are going up, and I think we are going to see some strong growth in some key future markets. Again, a negative approach is not needed in tourism. In terms of the structure of the campaign, I will ask the CEO to comment.

Ms S.L. Buckland: One of the premises behind the campaign is to have Western Australians advocating for their own state and inviting friends, family and acquaintances to visit them in Western Australia. One of the things that will be very powerful about this campaign is that it will rely very heavily on social media and user-generated content. To the extent that Western Australians are backing and promoting their state through social media, that will actually help us extend the reach of the campaign outside Western Australia. There are many individuals who live in Western Australia—I think it is more than 40 per cent of all the people who live in this state—who were not born here, so this is an opportunity for them to promote WA to their friends and family who do not live here. I would add that it is very important for us to promote within Perth and to encourage people who live in Perth to travel in regional Western Australia, because the vast majority of visitors to regional Western Australia are from Perth, not other parts of the country or other parts of the world, and that has a lot to do with the distances that people have to travel.

[5.30 pm]

Mr P. PAPALIA: What proportion, as both a percentage and an amount of money, will be spent prior to the next state election on the campaign to sell Perth to people in Western Australia compared with what will be spent to sell Perth to people in Sydney and Melbourne?

Mr C.J. BARNETT: The chief executive officer will answer that question. I do not know whether it is possible to answer that question, but Ms Buckland can give a view on the emphasis of the campaign.

Ms S.L. Buckland: I do not have to hand the percentages of the budget that will be spent on promoting various aspects, but I can say that the emphasis on promoting to Western Australians will be on promoting experiences available in regional Western Australia, and the emphasis in interstate and international markets will be on Perth, and secondarily regional Western Australia.

Mr P. PAPALIA: Is the minister able to indicate the extent of expenditure on the new marketing campaign that he has indicated?

Mr C.J. BARNETT: Not at this point, but maybe after the campaign is over it will be possible to show where that was done.

Mrs G.J. GODFREY: I refer to spending changes at page 101. Can the minister please tell me about funding for the Perth Convention Bureau?

Mr C.J. BARNETT: Some money that had been taken out of the Perth Convention Bureau budget has been reinstated, if you like, and an additional \$7.5 million has been allocated to cover, I think, the next three or four years. The Perth Convention Bureau does a great job, and it is well funded. It continues to achieve a high rate of success in attracting all sorts of conferences. Obviously, the recent major conference was LNG 18, which, I think, injected about \$50 million of additional spending into the Perth and Western Australian economy. Conference attendees are a big part of the tourism industry, and particularly business delegates tend to spend a lot of money; they stay in good hotels and boost a range of sectors.

Mr P. PAPALIA: If the PCB is doing such a great job, why did the minister cut its budget last year?

Mr C.J. BARNETT: I did not cut its budget; I was not the minister.

Mr P. PAPALIA: Oh! Was the cut to the PCB's budget discussed in cabinet at all?

Mr C.J. BARNETT: I do not discuss cabinet discussions.

Mr P. PAPALIA: I have a further very simple question that the minister can answer. What drove the reallocation of funding to the PCB? How did the government arrive at the amounts by which it has chosen to increase the PCB budget in each of the out years?

Mr C.J. BARNETT: The previous Minister for Tourism, Kim Hames, obviously put the case through the budget process for restoring and increasing funding for the Perth Convention Bureau. I and other ministers supported him in that. The decision would have been based on submissions and commentary and advice from Tourism WA. It is a good decision that has been well received.

Mr W.J. JOHNSTON: The minister said something about a \$7.5 million allocation for the Perth Convention Bureau, but there is only \$1.502 million in the budget for the PCB. What was the minister referring to with respect to the \$7.5 million?

Mr C.J. BARNETT: The funding for the Perth Convention Bureau for 2016–17 will be \$4.9 million, of which \$1.5 million is a share of the additional funding. That increases to over \$5 million in subsequent years. It is additional to the existing funding that is in place.

Mr W.J. JOHNSTON: The minister told us a minute ago that the forward estimates are not an allocation. He said \$7.5 million, but there is only \$1.5 million in the budget.

Mr C.J. BARNETT: That is the additional money spread over the forward estimates.

Mr W.J. JOHNSTON: Where is the other \$6 million?

Mr C.J. BARNETT: It is spread over the next two or three years.

Mr W.J. JOHNSTON: But that is in the future, is it not? I thought the minister said that that does not count.

Mr C.J. BARNETT: The member does not understand. There are two components to the forward estimates. The first, and the most significant, is the cabinet decision to specifically allocate money, which becomes binding and is built in. The rest of the forward estimates, and probably the majority, are estimates made by Treasury. They are revisited every year and every budget.

Mr W.J. JOHNSTON: Is the minister saying that the millions of dollars of cuts to other sections of the budget do not count because he says so, but this extra money is counted because he says so?

Mr C.J. BARNETT: I am not going to try to unjumble the member's jumbled logic. He goes down these —

Mr W.J. JOHNSTON: The minister said that the cut to event tourism was not relevant because it was in the forward estimates. It seems to me that there is only \$1.5 million in the budget, not \$7.5 million.

Mr C.J. BARNETT: I have just told the member that the budget for the Perth Convention Bureau this year is \$4.93 million, next year it will be \$5.12 million, and the following year it will be \$5.33 million. Those are the figures. The member's line of reasoning is about as good as it was in the previous estimates hearing when he said in this house that only one block of land had been sold at Elizabeth Quay.

Mr W.J. JOHNSTON: Only one block of land has been sold.

Mr C.J. BARNETT: The member could not be more wrong than that.

Mr W.J. JOHNSTON: Which block of land has been sold?

The CHAIRMAN: Order, members! We are not going to have an argument.

Mr W.J. JOHNSTON: Only one block of land has been sold—that is, the Chevron block. No other block has been sold.

The CHAIRMAN: Member for Cannington!

Mr C.J. BARNETT: The member should check it because he is totally wrong.

The CHAIRMAN: Order, members!

Mr W.J. JOHNSTON: I have.

The CHAIRMAN: Member for Cannington, silence please.

Mr P. PAPALIA: Can the minister explain why this year the Perth Convention Bureau funding line item in the budget is shown as additional funding, but last year it was actual funding and continuation? Why has that line item changed?

Mr C.J. BARNETT: That is because “actual” in a budget sense is in the past tense.

Mr P. PAPALIA: No. The line item in the “Spending Changes” table at page 101 is “Perth Convention Bureau Additional Funding”. In last year's budget, the line item in the same table was “Perth Convention Bureau Funding Continuation”. As the minister explained, it has gone from the actual allocation, which we had to ask the minister for, as opposed to last year, when the actual allocation was demonstrated in the budget. Why did the minister choose to change that measure?

Mr C.J. BARNETT: I do not see the point of the member's reasoning. We have reinstated some money—if we like to use that term, and I will—and added additional funding. The budget is the budget.

Mr P. PAPALIA: It seems to me that the minister did it to avoid embarrassment over the cut last year.

The CHAIRMAN: Thank you, member for Warnbro. We are going to go to the member for Belmont, thank you.

Mrs G.J. GODFREY: I do not have another question.

The CHAIRMAN: You have had your question. The member for Cannington.

Mr W.J. JOHNSTON: I refer to the first dot point on page 102 that lists new hotel developments, one of which is the Ritz–Carlton. On what date was consideration paid by the developers to the government for the Ritz–Carlton site?

Mr C.J. BARNETT: I do not have those details. The acquisition of sites is handled by the Metropolitan Redevelopment Authority. Obviously, the MRA has a series of contracts and arrangements, including one with Ritz–Carlton. I understand that construction on the site is fairly close. I think it was meant to be midyear, but it might be a little later. It will be underway. Of course, two towers will be built. There has been a lot of advertising and a lot of apartments have been sold. It will go ahead, and it will be good!

Mr W.J. JOHNSTON: Do the problems with the sewerage works that led to a contract dispute between the MRA and the construction business need to be resolved before Ritz–Carlton can settle the land?

Mr C.J. BARNETT: I would not imagine so, but that work will be rectified. Although it is unfortunate, I understand that it is pretty simple to fix. I would not think that would affect the timing of a construction project because it will be a long time before they will be using sewerage or water.

The CHAIRMAN: I remind members that we have two more divisions.

Mr W.J. JOHNSTON: When the Ritz–Carlton is eventually built, will guests be allowed to swim in Elizabeth Quay?

Mr C.J. BARNETT: I would not swim in Elizabeth Quay. I probably would not swim in the Swan River. I used to do that as a kid, but swimming around jellyfish does not really appeal to me. Elizabeth Quay was not designed to be a swimming pool because ferries come in there on a regular basis. If the member wants to swim in Elizabeth Quay, he can do it. I think the water is healthy and clean, but it is not a swimming place. People go to a swimming pool or the ocean if they want a swim.

[5.40 pm]

Mr P. PAPALIA: I refer to “Spending Changes” and additional events funding and destination marketing on page 101 of the *Budget Statements* and the Premier’s announcement about funding—that it does not exist in the future—in 2018 for additional events to activate Perth Stadium. Exactly who will control the additional funding? Will it be the Tourism Commission or the stadium operator?

Mr C.J. BARNETT: There will be a mix. VenuesWest, on behalf of the government, is essentially the owner of the stadium. That money is available and it will be a mixture. VenuesWest will be involved and Tourism WA will clearly be involved in trying to negotiate major events, particularly in the sporting field. The stadium operator will probably be more involved in major concert events, and it will be horses for courses which groups have best expertise, but all three will be involved. Tourism WA will play a major role in activating the new stadium.

Mr P. PAPALIA: Can the Premier not say what proportion of the \$19 million in 2018 will be managed by Tourism WA as opposed to VenuesWest?

Mr C.J. BARNETT: No. I do not know whether how that will be done has been exactly determined yet. For example, there is speculation in the media about an Australia versus England soccer game. An event such as that would primarily be managed through Tourism WA. If it is a concert, it will probably be the stadium operator that would put the package together.

Mr P. PAPALIA: I return to the question: why does this type of funding, having been allocated in 2018, disappear in 2019?

Mr C.J. BARNETT: It is the \$19 million of funding, which will essentially be managed by Tourism WA. That is for the next two years of the stadium. Hopefully the stadium will be up and going, but there will be events during that period and major events after that period, and we could expect the state government, through Tourism WA, to sponsor those events.

Mr P. PAPALIA: But it is not in the budget. There is money for these events in 2018 when the stadium opens, but there is no money, by contrast, in 2019.

Mr C.J. BARNETT: There is money for 2017–18 and 2018–19 in the budget.

Mr P. PAPALIA: And then it drops off a cliff.

Mr C.J. BARNETT: We are not budgeting at the moment for the twenty-second century either.

Mr W.J. JOHNSTON: When the Premier announced Stadium Australia, or whatever the team is called, as the managers, he said that it would bring content. How come we now have to pay for the content that the Premier said it was bringing?

Mr C.J. BARNETT: We would expect Stadium Australia to bring content. Given that it also looks after the Sydney stadium, I would think there would be lots of opportunities for Perth Stadium to almost piggyback on events that go there. That would be for more of a concert-type event, rather than a sporting event. Negotiating a major sporting event is a speciality of Tourism WA and perhaps the sporting codes themselves could be involved in that, whereas the stadium operator will be very attuned to—pun not intended—concerts touring Australia and attracting major performers.

Mr T.K. WALDRON: The third dot point under “Details of Controlled Grants and Subsidies” on page 106 refers to regional visitors.

Mr P. PAPALIA interjected.

The CHAIRMAN: Member for Warnbro! Will you please not argue with the Chair—otherwise, you might not end up staying in here.

Mr T.K. WALDRON: I am referring to the visitor centre grants, which I welcome because those visitor centres are crucial for tourists in country WA. I just want confirmation that we will continue to support those and perhaps is there any chance of further developing some of those crucial ones in the future?

Mr C.J. BARNETT: Visitor centres have grown up over the last 30 years in Western Australia. I might ask the CEO or maybe one of her colleagues to comment on them. It is interesting, though, because with online

information and social media, I do not know what the trend is in terms of where people go to get information. But I imagine a lot of people now, maybe the majority —

Mr T.K. WALDRON: Sorry, I just could not hear.

The CHAIRMAN: Order, members! Can members speak quietly, please.

Mr C.J. BARNETT: Relating to visitor centres, in terms of their physical presence, a lot more information is online. I do not know the answer but I would suggest that a lot of people travelling probably plan their trips and activities online before they get into a region. Does the CEO or one of her colleagues wish to comments on trends in visitor centres?

Ms S.L. Buckland: There are 127 visitor centres in Western Australia. The objective of the regional visitor centre sustainability grant program is to help visitor centres become more sustainable—for example, helping them become more online-savvy. Part of the program involves an expert in retailing working with some of the visitor centres so that they better know how to retail and earn extra income through that activity. Research basically shows that people who visit visitor centres tend to spend more money in a location and spend more time there. What the Premier said is correct; a lot of people will plan their trips online before they get to a destination, but then they will also visit a visitor centre to get that local knowledge or to potentially book a tour and get some advice on the best things to do in a local area. They are definitely an important part of the value chain, and the benefit of this program is to help them become more sustainable.

The appropriation was recommended.